

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6257**

**BILL NUMBER:** HB 1050

**DATE PREPARED:** Jan 26, 1999

**BILL AMENDED:** Jan 25, 1999

**SUBJECT:** High School Diplomas, Seals, and Programs of Study.

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**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) (1) This bill would require that the Indiana State Board of Education (the Board) adopt rules to establish, for public and accredited nonpublic high schools, the minimum requirements for a general high school program, a Core 40 high school program, and an Indiana Academic Honors high school program.

(2) It would require that public high schools and accredited nonpublic high schools offer the above programs, and would require that a governing body of a school corporation or of an accredited nonpublic high school provide a diploma to a student who satisfies the minimum requirements for high school graduation.

(3) It would require public and accredited nonpublic high schools to award students (who receive a high school diploma) an ISTEP+ diploma seal for receiving a passing score on the ISTEP+ graduation examination, a Core 40 diploma seal for successful completion of the Core 40 high school program, and an Indiana Academic Honors diploma seal for successful completion of the Indiana Academic Honors high school program.

(4) It would allow a school corporation to offer additional locally developed diploma seal programs, and would provide that a student be entitled to receive all diploma seals for which the student qualifies.

(5) It would remove the requirement that a student meet the educational proficiency standard tested in the criterion referenced grade 10 Indiana Statewide Testing for Educational Progress (ISTEP+) examination (the Graduation Examination) in order to graduate from high school with a diploma (eligible students would still be required to take the Graduation Examination unless excused under other law).

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** (Revised) (1) Since rules regarding high school curriculum

requirements are already in existence, the Board would likely incur minimal costs and time in the adaptation of current rules to satisfy this provision of this bill.

(5) Under current law, students who expect to graduate with a diploma during the 1999-2000 school year are required to either: 1) complete all high school graduation credit requirements in addition to receiving a score at or above the educational proficiency standard tested in the Graduation Examination; 2) successfully complete all components of the CORE 40 curriculum; or 3) successfully appeal the Graduation Examination test results in accordance with criteria adopted by the State Board of Education (the Board).

This bill would remove the requirement that a student meet the educational proficiency standard tested in the Examination in order to graduate from high school (eligible students would still be required to take the Graduation Examination unless excused under other law). In Fall of 1997, approximately 67,400 students from the graduating class of 2000 took the Examination. Of these students, approximately 54% scored above the educational proficiency standard.

For FY 1998, \$33,860,780 was appropriated from the State General Fund and State Dedicated Funds for ISTEP+ testing and remediation (grades 3, 6, 8, and 10). Of this amount, approximately \$24 M was distributed to eligible school corporations for preventative and regular remediation, while approximately \$10 M was distributed for test development and administration.

#### **Explanation of State Revenues:**

**Explanation of Local Expenditures: (Revised)** (2) Since current law requires a governing body of school corporation or of an accredited nonpublic high school to offer a general high school program (including a diploma for eligible students), and allows a school corporation to offer an Academic Honors Diploma program, the passage of this portion of the bill would not likely result in additional costs.

In addition, since current DOE policy requires a school corporation to offer a CORE 40 curriculum, it is not likely that school corporations would incur increased costs attributable to the CORE 40 requirements of this bill.

Currently, approximately 30 - 40 accredited nonpublic high schools offer CORE 40 and Academic Honors Diploma programs, and approximately 44 accredited nonpublic high schools offer general high school programs.

(3) Under current law, public and accredited nonpublic high schools are not required to affix or imprint seals on a student's high school diploma indicating completion of a specific high school program such as the CORE 40 or Academic Honors program. Nor are public and accredited nonpublic high schools required to affix or imprint an ISTEP+ diploma seal for receiving a passing score on the ISTEP+ graduation examination.

This bill would require public and accredited nonpublic high schools to award students (who receive a high school diploma) a Core 40 diploma seal for successful completion of the Core 40 high school program, an Indiana Academic Honors diploma seal for successful completion of the Indiana Academic Honors high school program, and an ISTEP+ diploma seal for receiving a passing score on the ISTEP+ graduation examination.

#### **ACADEMIC HONORS**

Public and accredited nonpublic high schools currently offer Indiana Academic Honors diploma seals to graduating students successfully completing the Indiana Academic Honors program.

The Department of Education currently supplies public and accredited nonpublic high schools with Indiana Academic Honors diploma program seals to affix to a graduating student's regular high school diploma. Monies to pay for the seals are taken from the Center for School Improvement and Performance line-item appropriation.

For FY 1998 and FY 1999, respectively, \$2,722,730 and \$2,725,555 was appropriated to the Department of Education for the Center for School Improvement and Performance.

#### CORE 40

Public and accredited nonpublic high schools currently offer CORE 40 diploma seals to graduating students successfully completing the CORE 40 high school program.

The Department of Education currently supplies public and accredited nonpublic high schools with CORE 40 high school program seals to affix to a graduating student's regular high school diploma. Monies to pay for the seals are to be taken from the CORE 40 program line-item appropriation with approval from the State Budget Agency.

For FY 1998 and FY 1999, \$824,250 was appropriated to the State Budget Agency, per year, for the CORE 40 program.

#### ISTEP+ GRADUATION EXAMINATION

Public and nonpublic high schools do not currently offer ISTEP+ graduation examination seals to graduating students who receive a passing score on the ISTEP+ graduation examination.

Passage of this portion of the bill would likely result in an increase in administrative time in carrying out the provisions of this bill. In addition, schools would likely experience a minimal cost relating to the purchase of an instrument to imprint the required seals, or relating to the purchase of the seals themselves (which would likely be more expensive over a fixed period of time).

This bill would not require the Department of Education to defray the cost of ISTEP+ graduation examination seals for public and accredited nonpublic high schools.

The effects of the ISTEP+ portion of the bill would differ from high school to high school, and would depend upon local action.

(4) This bill would allow a school corporation to offer additional locally developed diploma seal programs, and would provide that a student be entitled to receive all diploma seals for which the student qualifies. However, locally developed diploma seal programs would be required to exceed the requirements that the Board establishes for a general high school program in accordance with this bill.

The effects of this portion of the bill would vary from high school to high school, and would depend upon local action.

**Explanation of Local Revenues:**

**State Agencies Affected:** State Board of Education.

**Local Agencies Affected:** School Corporation Public High Schools and Nonpublic High Schools.

**Information Sources:** Patty Shut, Department of Education, 317/232-9184; Sandra Massengale, Department of Education; (317) 232-6987; State of Indiana, List of Appropriations (July 1, 1997 to June 30, 1999).